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for tax exempt income, which is the interest off an IDA bond only. Now you get the same effect if you had a savings and loan mortgage ... give you the mortgage to build one of these plants. The mortgage there is not subject to personal property taxes.

SENATOR DICKINSON: That was my point, Senator Goodrich. These do drain off some funds that would be ... looking for tax exempt investment so it would drain off some available funds from municipalities and school bonds.

SENATOR GOODRICH: Not really.

SENATOR DICKINSON: So it therefore could raise the rate a little bit on those bonds to compete for the money.

SENATOR GOODRICH: Well if the other bonds that you're referring to are also tax exempt bonds, such as municipalities, this would drain some of the market for municipalities, some of the money off that market. But they're both tax exempt issues. The people that buy these kind of bonds are the people that are looking for tax exempt because they don't want income tax problems.

SENATOR DICKINSON: Thank you Senator Goodrich. I'm glad we're having this discussion. I have a lot of apprehension about broadening this beyond what we already have. We have done a lot of good and continue to do it with the present IDA bond facility. I'm wondering, seriously, if we should expand it to this degree.

PRESIDENT: Senator Keyes.

SENATOR KEYES: Senator Goodrich, the main thing I'll ask you a question. The main reason that we are selling these is to make money available in Nebraska, money that is not subject to an income tax. Isn't that it?

SENATOR GOODRICH: The interest off of which is not subject to income tax. The property that we create with this money, though, is subject to property tax ... real estate tax.

SENATOR KEYES: Now we have savings and loan associations, and then we have industrial. I'm trying to think of it because I know because a man got a permit to open one ... an industrial savings and loan where they will ... you can put money in and they will loan money out to industry. What is wrong with them taking care of the ... without going through tax exempt services?

SENATOR GOODRICH: Because their loan limits, for example They only handle loans of from \$3,000 to \$5,000, industrials do. What you're talking about is industrial loan and investment companies. They only handle loans of \$3 to \$5 thousand. They don't handle the big stuff like insurance companies and commercial sections of banks.